

RESOLUTION NO. 75005

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ MAKING CERTAIN FINDINGS REQUIRED UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 FOR REDEVELOPMENT AGENCY FUNDING; AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE SHORT-TERM OFFICE SPACE LEASE IN THE DOWNTOWN TO ACCOMMODATE CITY STAFF BEING RELOCATED FROM THE FORMER MARTIN LUTHER KING, JR., LIBRARY BUILDING; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROJECT SERVICES MEMORANDUM NOT TO EXCEED \$415,000 WITH THE REDEVELOPMENT AGENCY

WHEREAS, on January 13, 2009, the Council of the City of San José (“City”) and the Board of Directors of the Redevelopment Agency of the City of San José (“Agency”) approved a \$300 million financing plan to expand the San José McEnery Convention Center (“Expansion”); and

WHEREAS, a key element of the Expansion is the demolition of the former Martin Luther King, Jr., library building, which is currently occupied by approximately 225 City employees; and

WHEREAS, City and Agency staffs have analyzed options to relocate the affected employees, and the most cost-effective option is to move the affected staff to the City Hall Tower, the Central Service Yard and to leased office space in the Downtown; and

WHEREAS, the Agency has agreed to cover relocation costs to move City staff to the City Hall Tower and Central Service Yard and the cost for miscellaneous improvements to the Central Service Yard (“Project”); and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency, with the consent of the legislative body, to pay for the costs of

certain public improvements if the legislative body determines that: 1) the public improvements benefit the project area; 2) no other reasonable means of financing the improvements are available to the community, and 3) payment for the improvements will assist in the elimination of blight in the project area and is consistent with the implementation plan; and

WHEREAS, the Project benefits the Spartan/Keyes area of the Strong Neighborhoods Initiative Redevelopment Project Area ("Project Area"), which is where the Central Service Yard is located, by converting warehouse space to office space, resulting in at least 35 new jobs added within the Project Area; and

WHEREAS, no other reasonable means of financing the Project is available as the City has no funds currently budgeted or otherwise identified to pay for the Project; and

WHEREAS, the Project will assist in the elimination of blighting conditions in the Project Area by upgrading warehouse space to office space, which will provide increased employment in the Project Area; and

WHEREAS, the Project is consistent with the adopted implementation plan for the Project Area, which identifies the creation of job opportunities as one of its goals; and

WHEREAS, City staff recommends that the City Manager be authorized to negotiate and execute a short-term lease of office space in the Downtown to accommodate employees relocated from the former Martin Luther King, Jr., library building; and

WHEREAS, City staff recommends that the City Manager be authorized to negotiate and execute a Project Services Memorandum with the Agency in an amount not to exceed \$415,000 for relocation costs and miscellaneous improvements to the Central Service Yard;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSÉ THAT:

A. Agency funding of the Project:

- (1) benefits the Strong Neighborhoods Initiative Redevelopment Project Area;
- (2) cannot be reasonably financed by other means;
- (3) assists in the elimination of blight in the Strong Neighborhoods Initiative Project Area; and
- (4) is consistent with the adopted implementation plan for the Strong Neighborhoods Initiative Redevelopment Project Area.

B. The Council consents to the Agency's funding of the Project.

C. The City Manager is authorized to negotiate and execute a lease for short-term office space in the Downtown to relocate City staff from the former Martin Luther King, Jr., Library building.

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D. The City Manager is authorized to negotiate and execute a Project Services Memorandum not to exceed \$415,000 with the Redevelopment Agency, describing in more detail the scope of work, schedule and other specifics of the matters set forth in the memorandum from the Executive Director and City Manager, dated June 4, 2009.

ADOPTED this 16th day of June, 2009, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,
LICCARDO, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CHIRCO, NGUYEN.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk